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COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

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R. Dear Senator Proxmire:

In accordance with your request of November 29, 1971, we have examined into the complaint made by Mr. Thomas G. Staudenmaier when he was an Air Force staff sergeant. He stated that 24 military personnel were assigned to full-time duty at the Alaskan Chateau and Health Club, Elmendorf Air Force Base, Anchorage, Alaska. Mr. Staudenmaier questioned the propriety of assigning military personnel to this type of duty. D. 1871

We discussed the operation of the Alaskan Chateau with Mr. Staudenmaier and Air Force personnel, and we reviewed records and inspected the Chateau.

We found Mr. Staudenmaier's information to be essentially correct. The assignment of appropriated fund personnel (military or civilian) to operate the Chateau was contrary to the Air Force general policy that allows appropriated fund manpower to be used to fill only supervisory positions of a non-appropriated fund activity. As a result of our inquiry, the Air Force decided on September 8, 1972, to reduce the authorization of appropriated manpower at the Chateau to six persons.

The Chateau is a nonappropriated fund billeting facility for the use of distinguished and high-ranking visitors, including those on aircraft making fuel stops at Elmendorf. It has 14 guestrooms which can accommodate 21 people, dining facilities for up to 32 people, and a cocktail lounge. It also provides a place for the Commander in Chief, Alaska, to host distinguished visitors. The Chateau facilities and services are available to high-ranking officers (lieutenant colonels and above and equivalent Navy or Coast Guard officers) and to certain civilians (grade GS-14 and above) employed at Elmendorf or nearby Fort Richardson--provided they are dues-paying members of an open mess and such use does not conflict with official functions. The Chateau is not a membership facility and charges no dues. We were informed that the Chateau has been in existence since the Alaskan Command was formed in 1947.

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dinners, which were attended by up to 100 people. Of the 76 official functions, about 50 were hosted by the Commander in Chief, Alaska. In addition, 75 private functions were held.

High-ranking and distinguished officials and their parties visited the Chateau while their aircraft were on fuel stops at Elmendorf. Records showed 31 such visits in the 12-month period; however, according to the officer in charge of the Chateau, no record was made of many additional such visits for which advance notice had not been received.

The Chateau (including its Health Club) is authorized and operated as a Sundry Fund under the Air Force regulations governing nonappropriated funds, as is the Officers' Open Mess and other facilities for temporary billeting at Elmendorf. In addition to authorizing appropriated fund support through use of Government facilities, including maintenance and utilities, Air Force regulations authorize use of appropriated fund personnel, but only for supervision. Commanders are to hire nonappropriated fund personnel for operating the activities. The regulations provide that deviation from established manning standards must be approved by the Director of Manpower and Organization, Headquarters, U.S. Air Force.

The Director of Manpower and Organization, however, had not approved the use of military or civilian appropriated fund personnel to operate the Chateau. On July 25, 1972, the Director told us he would look into this matter and would provide us with a statement on the official Air Force position.

The position paper, dated September 8, 1972, concluded that the Chateau is a necessary activity but that current circumstances do not warrant the use of appropriated fund personnel for all the Chateau activities. The paper stated that the Chateau activities would be operated with nonappropriated fund personnel, with the exception of five appropriated fund positions to operate the billeting function and one appropriated fund position to provide essential supervision. The statement recognized that the reduced authorization may

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require deleting some of the Chateau activities. The effective date is to be not later than March 31, 1973.

We estimated that calendar year 1971 appropriated fund support for the Chateau and Health Club was about \$179,000--\$170,000 for personnel and \$9,000 for building maintenance and utilities. According to the Chateau records, nonappropriated fund costs totaled about \$130,000 and revenue was about \$145,000. Total costs (appropriated and nonappropriated) were therefore about \$309,000. The cost of appropriated fund personnel will be about \$47,000 annually after the reduction noted above takes place.

On December 31, 1971, the Chateau's financial statement showed about \$92,000 in current assets, \$40,000 in furniture and equipment, and \$8,000 in current liabilities--a net worth of \$124,000.

Aside from the question of staffing nonappropriated fund activities, the Department of Defense general policy is that civilians will be used to fill all positions not requiring military personnel for reasons of law, training, security, discipline, rotation, combat readiness, or a need for a military background to successfully perform assigned duties. However, we noted in a previous report to the Congress (B-146890, Mar. 20, 1972) that, contrary to this policy, military personnel were extensively used in civilian-type positions.

We hope the above information answers your questions regarding the Alaskan Chateau. If you desire, we shall be pleased to discuss the matter with you in more detail.

Sincerely yours,

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Comptroller General
of the United States

The Honorable William Proxmire
United States Senate